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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/806,572	03/22/2004	Judith Klugman	14053-003001	2201
22850	7590	10/19/2007		
OBLON, SPIVAK, MCCLELLAND MAIER & NEUSTADT, P.C. 1940 DUKE STREET ALEXANDRIA, VA 22314			EXAMINER TRAN, HAI	
			ART UNIT	PAPER NUMBER
			3694	
			NOTIFICATION DATE	DELIVERY MODE
			10/19/2007	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No.	Applicant(s)	
	10/806,572	KLUGMAN, JUDITH	
	Examiner	Art Unit	
	Hai Tran	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 March 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☒ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This is the first Office Action in response to the application filed on March 22, 2004, titled: "Flexible Catastrophe Bond".
2. Claims 1-23 are pending and have been examined.

Priority

3. This application claims the benefit of U.S. Provisional Patent Application No. 60/457,423, filed on 03/24/2003.

Oath/Declaration

4. The oath or declaration is defective. A new oath or declaration in compliance with 37 CFR 1.67(a) identifying this application by application number and filing date is required. See MPEP §§ 602.01 and 602.02.
5. The oath or declaration is defective because:
6. The full name of each inventor (family name and at least one given name together with any initial) has not been set forth. There are three inventor names in the provisional patent application but only one inventor is signed in the oath for this application.

Information Disclosure Statement

7. No Information Disclosure Statement (IDS) was filed with this application, and hence, the application fails to comply with 37 CFR 1.98(a)(1), which requires the

following: (1) a list of all patents, publications, applications, or other information submitted for consideration by the Office; (2) U.S. patents and U.S. patent application publications listed in a section separately from citations of other documents; (3) the application number of the application in which the information disclosure statement is being submitted on each page of the list; (4) a column that provides a blank space next to each document to be considered, for the examiner's initials; and (5) a heading that clearly indicates that the list is an information disclosure statement. Since there was no IDS filed with this application, the examiner, therefore, cannot consider any information with respect to any references cited.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1, 6 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith (U.S. Patent No. 6,963,853) ("Smith") in view of Sorema ("Sorema Issues Flexible Cat Bond", dated June 1999) ("Sorema").

Examiner's Note: Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially

teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

10. **With respect to claim 1**, Smith teaches a method of securitizing natural catastrophe risk, comprising:

establishing one or more risk classes, each risk class representing one or more natural catastrophe risks, each risk class being recurrently issuable as risk instruments providing a return on an investment, the amount of the return for a risk instrument being contingent upon the occurrence of a realization event for the corresponding represented natural catastrophe risk (see Smith, Abstract); and

issuing a first collection of risk instruments of a first risk class of the one or more risk classes (see Sorema, and claim 1 of Smith).

Smith teaches calculating a return on investment for weather-related risk management, but does not expressly teach flexible cat bond. However, Sorema teaches flexible cat bond. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to combine the teachings of Sorema, related to flexible cat bond, with the teachings of Smith, related to weather-related risk management, to offer more and better weather-related risk investment to customers as described in Smith (col. 7, lines 40-49).

11. **With respect to claim 6**, Smith teaches wherein the risk classes represent natural catastrophe risks selected from the group consisting of hurricanes, windstorms, floods, and earthquakes (see Smith col. 2, lines 31-36).

12. **With respect to claim 7**, Smith teaches wherein the risk classes categorize natural catastrophe risks by region or by time period (see Smith col. 4, lines 26-43).

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13. Claims 2 and 3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith in view of Louberge (Henri Louberge, "Optimal Catastrophe Insurance With Multiple Catastrophes", dated September 1999) ("Louberge").

14. **With respect to claim 2**, Smith does not expressly teach such feature.

However, Louberge teaches wherein the one or more risk classes include a plurality of risk classes each representing an individual natural catastrophe risk, and one or more risk classes representing a combination of natural catastrophe risks represented by two or more of the plurality of risk classes (see Louberge, page 5, paragraph 2). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to combine the teachings of Louberge with the teachings of Smith to further define weather-related risk investments. The motivation is to provide more defined weather-related risk investments.

15. **With respect to claim 3**, Smith does not expressly teach such feature.

Louberge teaches wherein the individual natural catastrophe risks are not correlated (see Louberge, page 5, paragraph 2). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to combine the teachings of Louberge with the teachings of Smith to further define weather-related risk investments. The motivation is to provide more defined weather-related risk investments.

16. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Smith in view of Official Notice.

17. **With respect to claim 4**, Smith does not expressly teach wherein issuing the first collection of risk instruments includes issuing the first collection of risk instruments

on a first issue date; the method further comprising issuing a second collection of risk instruments of the first risk class on a second issue date, the second issue date being after the first issue date. However, Examiner takes an Official Notice that issuing risk instruments on different dates is old and well known in the art of finance. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the teachings of issuance date in Smith's invention to offer more opportunity to customers.

18. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Smith in view of Richter (Andreas Richter "Catastrophe Risk Management Implications of Default Risk and Basis Risk", dated September 4, 2002) ("Richter") and further in view of Doherty (Neil Doherty, "Financial Innovation In The Management Of Catastrophe Risk", dated December 1997) ("Doherty").

19. **With respect to claim 5**, Smith does not teach such features. However, Richter teaches the risk instruments of the first risk class have an associated plurality of terms, the plurality of terms including class terms and series terms,

the class terms being defined for all risk instruments of the first risk class during the establishing of the first risk class (see Richter, page 5, paragraphs 1-3),

the series terms being defined for risk instruments of a given collection of risk instruments of the first series at the time of issuance of the collection, the series terms including an interest spread defining an amount payable to an investor, and a maturity date defining a date on which a principal amount will be returned to the investor if no realization event has occurred (see Doherty, page 7, paragraph 2). It would have been

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obvious to one of ordinary skill in the art at the time of Applicant's invention to include the teachings of Richter and Doherty in Smith's invention to offer customer better defined weather-related risk investment.

20. Claims 8 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith in view Doherty.

21. **With respect to claims 8 and 9**, Smith does not expressly teach such features. However, Doherty teaches the realization event for a given risk class is defined as an occurrence of an event meeting a predetermined impact threshold, and which is determined according to an index of physical parameters (see Doherty, page 13, paragraph 1). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the teachings of Doherty in Smith's invention to offer customer better defined weather-related risk investment.

22. **With respect to claims 10-12**, these claims are similar to claims 1-9 including receiving and distributing the financial instruments. These claims have the same limitations; hence, they are rejected under the rationale provided in claim 1-9.

23. **With respect to claims 13-14**, these claims relate to the return on the investment if no realization event has occurred. These claims are similar to claims 1-9 and have same limitations; hence, they are rejected under the rationale provided in claims 1-9.

24. **With respect to claims 15-23**, these computer program product claims are similar to claims 1-9 and have same limitations. Hence, they are rejected under the rationale provided in claims 1-9.

Conclusion

25. Claims 1-23 are rejected.
26. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hai Tran whose telephone number is (571) 272-7364. The examiner can normally be reached on M-F, 9-4 PM.
27. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.
28. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

HT

